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*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 6117)**

## **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024**

The board (the “**Board**”) of directors (the “**Director(s)**”) of Rizhao Port Jurong Co., Ltd. (the “**Company**”) is pleased to announce the unaudited condensed interim results of the Company for the six months ended 30 June 2024 (the “**Reporting Period**”), together with the comparative figures for the six months ended 30 June 2023, which are set out below.

# CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

		For the six months ended	
		30 June	
	Notes	2024 <b>RMB'000</b> (Unaudited)	2023 <b>RMB'000</b> (Restated) (Unaudited)
<b>Revenue</b>	3	<b>424,240</b>	413,212
Cost of sales		<u>(247,305)</u>	<u>(241,714)</u>
<b>Gross profit</b>		<b>176,935</b>	171,498
Other income, net	4	<b>2,459</b>	13,797
Impairment losses reversed/(recognised), net		<b>301</b>	(234)
Selling and distribution expenses		<b>(2,701)</b>	(1,349)
Administrative expenses		<b>(10,382)</b>	(11,287)
Finance costs	5	<u><b>(9,257)</b></u>	<u>(11,466)</u>
<b>Profit before income tax</b>	6	<b>157,355</b>	160,959
Income tax expense	7	<u><b>(36,845)</b></u>	<u>(37,637)</u>
<b>Profit and total comprehensive income attributable to the owners of the Company for the period</b>		<u><b>120,510</b></u>	<u>123,322</u>
<b>Earnings per share for profit attributable to the owners of the Company during the period</b>			
– Basic and diluted ( <i>RMB cents</i> )	9	<u><b>7.26</b></u>	<u>7.43</u>

# CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
	<i>Notes</i>		
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	2,485,431	2,338,678
Deposits for purchase of property, plant and equipment		26,222	28,286
Investment properties	11	275,785	279,672
Intangible assets		2,815	2,831
Other non-current assets		1,265	1,218
Deferred tax assets		4,428	1,501
		<u>2,795,946</u>	<u>2,652,186</u>
<b>Current assets</b>			
Inventories		1,361	1,611
Trade and other receivables	12	24,507	33,165
Bills receivables at fair value through other comprehensive income (“FVTOCI”)	13	634	3,700
Contract assets		–	1,195
Cash and cash equivalents		631,184	608,747
		<u>657,686</u>	<u>648,418</u>

		As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
	<i>Notes</i>		
<b>Current liabilities</b>			
Trade and other payables	14	210,620	205,787
Contract liabilities	15	12,072	1,166
Lease liabilities	16	13,715	8,260
Advance payments from lease contract	17	2,375	2,375
Income tax payable		17,736	13,094
Dividend payable	8	39,840	–
		<u>296,358</u>	<u>230,682</u>
<b>Net current assets</b>		<u>361,328</u>	<u>417,736</u>
<b>Total assets less current liabilities</b>		<u>3,157,274</u>	<u>3,069,922</u>
<b>Non-current liabilities</b>			
Lease liabilities	16	329,867	321,997
Advance payments from lease contract	17	11,281	12,469
Other payable	14	590	590
		<u>341,738</u>	<u>335,056</u>
<b>Net assets</b>		<u><u>2,815,536</u></u>	<u><u>2,734,866</u></u>
<b>CAPITAL AND RESERVES</b>			
Share capital	18	1,660,000	1,660,000
Reserves		<u>1,155,536</u>	<u>1,074,866</u>
<b>Total equity</b>		<u><u>2,815,536</u></u>	<u><u>2,734,866</u></u>

# CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Share capital <i>RMB'000</i>	Share premium <i>RMB'000</i>	Capital reserve <i>RMB'000</i>	Statutory reserve <i>RMB'000</i>	Retained profits <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Balance at 1 January 2024</b> (Audited)	1,660,000	105,245	159,077	105,723	704,821	2,734,866
<b>Total comprehensive income for the period</b>						
Profit and other comprehensive income for the period	—	—	—	—	120,510	120,510
<b>Transaction with owners</b>						
Dividend declared	—	—	—	—	(39,840)	(39,840)
<b>Balance at 30 June 2024</b> (Unaudited)	<u>1,660,000</u>	<u>105,245</u>	<u>159,077</u>	<u>105,723</u>	<u>785,491</u>	<u>2,815,536</u>
<b>Balance at 1 January 2023, as previously reported</b> (Audited)	1,660,000	105,245	159,077	83,748	545,537	2,553,607
Adjustment from the adoption of amendments to IAS 12	—	—	—	286	2,588	2,874
<b>Balance at 1 January 2023, restated</b>	<u>1,660,000</u>	<u>105,245</u>	<u>159,077</u>	<u>84,034</u>	<u>548,125</u>	<u>2,556,481</u>
<b>Total comprehensive income for the period</b>						
Profit and other comprehensive income for the period, restated	—	—	—	—	123,322	123,322
<b>Transaction with owners</b>						
Dividend declared	—	—	—	—	(39,840)	(39,840)
<b>Balance at 30 June 2023, restated (Unaudited)</b>	<u>1,660,000</u>	<u>105,245</u>	<u>159,077</u>	<u>84,034</u>	<u>631,607</u>	<u>2,639,963</u>

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

*For the six months ended 30 June 2024*

### 1. CORPORATE INFORMATION

Rizhao Port Jurong Co., Ltd. (the “**Company**”) is a joint stock company incorporated in the People’s Republic of China (the “**PRC**”) with limited liability. The registered office and headquarters of the Company is at South End, Haibin 5th Road, Rizhao City, Shandong Province, the PRC.

The Company’s immediate holding company is Rizhao Port Co., Ltd. (“**Rizhao Port**”), a joint stock company with limited liability incorporated in the PRC and its shares are listed for trading on the Main Board of Shanghai Stock Exchange (Stock Code: 600017). In the opinion of the Directors, the ultimate holding company is Shandong Port Group Co., Ltd. (山東省港口集團有限公司) (“**Shandong Port Group**”), a company incorporated in the PRC with limited liability and a state-owned enterprise ultimately controlled by Shandong Provincial State-owned Assets Supervision and Administration Commission.

The Company is primarily engaged in port operation in Rizhao City, Shandong Province of the PRC, which includes handling grains, woodchips and dried tapioca along with berth leasing, port services such as warehousing, cargo storage, and related supporting business.

The condensed interim financial statements have been prepared in accordance with International Accounting Standard (“**IAS**”) 34 Interim Financial Reporting issued by the International Accounting Standards Board (“**IASB**”). The condensed interim financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Unless otherwise stated, the condensed interim financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company.

## 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

The condensed interim financial statements have been prepared under the historical cost convention, except for certain financial instruments which are measured at fair values.

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2023.

The accounting policies and calculations used in preparing the condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2023, except for the new and amended International Financial Reporting Standards (“IFRSs”), amendments and interpretations (collectively “**new and amended IFRSs**”) issued by IASB and become effective during the current accounting period. The adoption of the new and amended IFRSs has no material impact on the accounting policies in the Company's condensed interim financial statements for the period.

## 3. REVENUE

	For the six months ended	
	30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
– Provision of services	388,086	374,177
Revenue from other sources – Rental income from investment properties	36,154	39,035
Total revenue	424,240	413,212

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Types of services</b>		
Stevedoring service	<b>346,254</b>	322,272
Storage service	<b>31,567</b>	42,513
Port management service	<b>10,265</b>	9,392
	<hr/>	<hr/>
Total	<b>388,086</b>	374,177
	<hr/> <hr/>	<hr/> <hr/>
<b>Timing of revenue recognition</b>		
Over time	<b>388,086</b>	374,177
	<hr/> <hr/>	<hr/> <hr/>

Information reported to the Board of Directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of performance focuses on revenue from rendering stevedoring and storage goods and ancillary services.

The management of the Company considers that the Company has one reportable operating segment. No operating segment information is presented other than the entity-wide disclosures.

### ***Geographic information***

The Company's revenue and profit are all derived from the PRC. All non-current assets are located in the PRC.



### ***Information about major customers***

The following table sets out the revenue from customers contributing over 10% of the total revenue of the Company during the Reporting Period.

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Customer A	<b>104,625</b>	50,534
Customer B	<b>43,043</b>	47,083
Customer C	<b>(Note)</b>	59,719

*Note:* The Company had transactions with this customer but the amount of the transactions was less than 10% of the Company's revenue for the period ended 30 June 2024.

#### **4. OTHER INCOME, NET**

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Interest income	<b>4,362</b>	6,412
Loss on written off of property, plant and equipment	<b>(2,304)</b>	–
Loss on disposal of property, plant and equipment	<b>(102)</b>	–
Value-Added Tax Credit ( <i>note</i> )	–	945
Gain on lease modification	–	5,632
Others	<b>503</b>	808
Total	<b>2,459</b>	13,797

*Note:* For the period ended 30 June 2023, Ministry of Finance and the State Taxation Administration announced additional value-added tax credit policy for the life service industry. Tax payers in the production and living service industry are allowed to credit the amount of input tax deductible in the current period plus 5% thereof against the amount of taxes payable upon fulfilment of certain conditions. The additional value added tax credit policy was cancelled since 1 January 2024.

## 5. FINANCE COSTS

	For the six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<b>Interest expense</b>		
– Interest on lease liabilities	<b>9,257</b>	11,466

## 6. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting) the following:

	For the six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Rental income from investment properties	<b>36,154</b>	39,035
Less: direct operating expenses incurred from investment properties	<b>(3,887)</b>	(3,886)
Net rental income from investment properties	<b>32,267</b>	35,149
Depreciation:		
– Property, plant and equipment	<b>45,566</b>	47,206
– Right-of-use assets	<b>14,361</b>	12,267
– Investment properties	<b>3,887</b>	3,886
Amortisation of intangible assets	<b>239</b>	235
Total depreciation and amortisation charged to profit or loss	<b>64,053</b>	63,594

	For the six months ended	
	30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Lease charges:		
– Short-term leases	1,268	2,085
– Variable lease payments	7,000	10,600
Staff costs:		
– Directors' and supervisors' emoluments	725	1,029
– Other staff costs (exclude Directors' and supervisors' emoluments):		
– Salaries, allowances and other benefits	25,782	25,816
– Retirement benefit scheme contributions	11,728	10,585
Total staff costs	<u>38,235</u>	<u>37,430</u>

## 7. INCOME TAX EXPENSE

	For the six months ended	
	30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Restated) (Unaudited)
Current tax – PRC enterprise income tax	39,772	39,881
Deferred tax	<u>(2,927)</u>	<u>(2,244)</u>
	<u>36,845</u>	<u>37,637</u>

## 8. DIVIDENDS

The Company declared 2023 final dividends of RMB39,840,000 during the period, which were paid on 31 July 2024 to shareholders whose names appear on the register of members of the Company on 7 June 2024. The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (for the six months ended 30 June 2023: Nil).

## 9. EARNINGS PER SHARE

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Restated) (Unaudited)
<b>Earnings</b>		
Profit for the period attributable to owners of the Company ( <i>RMB'000</i> )	<u>120,510</u>	<u>123,322</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>1,660,000,000</u>	<u>1,660,000,000</u>
<b>Basic earnings per share (RMB cents)</b>	<u><u>7.26</u></u>	<u><u>7.43</u></u>

There were no dilutive potential ordinary shares in issue for the periods ended 30 June 2024 and 2023. Therefore, the diluted earnings per share are equals to the basic earnings per share.

## 10. PROPERTY, PLANT AND EQUIPMENT

For the six months ended 30 June 2024, the Company had additions of property, plant and equipment at a total cost of RMB187,756,000 (for the six months ended 30 June 2023: RMB281,217,000), mainly included additions in construction in progress of approximately RMB183,650,000, communication facilities of approximately RMB275,000, machinery equipment of approximately RMB1,673,000 and loading equipment of approximately RMB2,158,000 (for the six months ended 30 June 2023: additions in construction in progress of approximately RMB277,722,000, communication facilities of approximately RMB512,000 and loading equipment of approximately RMB2,626,000).

For the six months ended 30 June 2024, the Company wrote-off certain terminal facilities with carrying amount of RMB2,304,000 (for the six months ended 30 June 2023: RMB Nil), recording the loss of RMB2,304,000.

For the six months ended 30 June 2024, the Company disposed certain property, plant and equipment with carrying amount of RMB242,000 (for the six months ended 30 June 2023: RMB Nil), with sale proceeds of RMB140,000, recording the loss of RMB102,000.

As at 30 June 2024, the carrying amount of right-of-use assets of the Company amounted to RMB448,340,000 (31 December 2023: RMB441,231,000).

During the six months ended 30 June 2024, the Company entered into one new lease agreement in relation to the lease of a terminal facility with lease term of two years. The Company recognised approximately RMB21,470,000 of right-of-use assets and lease liabilities on lease commencement date.

For the six months ended 30 June 2024, depreciation of right-of-use assets and other property, plant and equipment during the period was RMB59,927,000 (for the six months ended 30 June 2023: RMB59,473,000).

## 11. INVESTMENT PROPERTIES

	<b>Terminal facilities RMB'000 (Unaudited)</b>
<b>As at 1 January 2023</b>	
Cost	399,318
Accumulated depreciation	<u>(111,872)</u>
Net book amount	<u><u>287,446</u></u>
<b>Year ended 31 December 2023</b>	
Opening net book amount	287,446
Depreciation	<u>(7,774)</u>
Closing net book amount	<u><u>279,672</u></u>
<b>As at 31 December 2023 and 1 January 2024</b>	
Cost	399,318
Accumulated depreciation	<u>(119,646)</u>
Net book amount	<u><u>279,672</u></u>
<b>For the six months ended 30 June 2024</b>	
Opening net book amount	279,672
Depreciation	<u>(3,887)</u>
Closing net book amount	<u><u>275,785</u></u>

	<b>Terminal facilities RMB'000 (Unaudited)</b>
<b>As at 30 June 2024</b>	
Cost	<b>399,318</b>
Accumulated depreciation	<b>(123,533)</b>
<b>Net book amount</b>	<b>275,785</b>

## 12. TRADE AND OTHER RECEIVABLES

	<b>As at 30 June 2024 RMB'000 (Unaudited)</b>	<b>As at 31 December 2023 RMB'000 (Audited)</b>
Trade receivables		
– Due from related parties	<b>1,444</b>	6,918
– Due from third parties	<b>1,258</b>	9,008
	<b>2,702</b>	15,926
Less: expected credit loss (“ECL”) allowance of trade receivables	<b>(39)</b>	(314)
	<b>2,663</b>	15,612
Other receivables	<b>98</b>	–
Prepayments	<b>90</b>	192
Value-added tax receivables	<b>21,656</b>	17,361
	<b>21,844</b>	17,553
<b>Total trade and other receivables</b>	<b>24,507</b>	33,165

The following is an ageing analysis of trade receivables, net of ECL allowance, presented based on the invoice dates:

	As at <b>30 June</b> <b>2024</b> <i><b>RMB'000</b></i> <b>(Unaudited)</b>	As at 31 December 2023 <i><b>RMB'000</b></i> <b>(Audited)</b>
0 – 30 days	<b>2,663</b>	12,397
31 – 60 days	–	–
61 – 90 days	–	–
Over 90 days	–	3,215
	<u><b>2,663</b></u>	<u>15,612</u>
	<u><b>2,663</b></u>	<u>15,612</u>

### 13. BILLS RECEIVABLES AT FVTOCI

The following is an ageing analysis of bills receivables based on the maturity dates:

	As at <b>30 June</b> <b>2024</b> <i><b>RMB'000</b></i> <b>(Unaudited)</b>	As at 31 December 2023 <i><b>RMB'000</b></i> <b>(Audited)</b>
Within 3 months	–	1,700
Over 3 months but within 6 months	<b>634</b>	2,000
	<u><b>634</b></u>	<u>3,700</u>
	<u><b>634</b></u>	<u>3,700</u>

The valuation method and major data of bills receivables of the Company as at 30 June 2024 and 31 December 2023 includes discounted cash flow at a discount rate that reflects the current borrowing rate at the end of the Reporting Period.

## 14. TRADE AND OTHER PAYABLES

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Trade payables		
– Due to related parties	30,552	6,450
– Due to third parties	15,214	19,732
	<u>45,766</u>	<u>26,182</u>
Other payables		
– Amounts due to related parties	152,071	161,241
– Other tax payables	720	991
– Payroll payable ( <i>note</i> )	7,064	9,594
– Retention payable due within one year	3,258	3,738
– Other payables	2,331	4,631
	<u>165,444</u>	<u>180,195</u>
Total trade and other payables	<u>211,210</u>	<u>206,377</u>
Less: Classified as non-current liabilities	<u>(590)</u>	<u>(590)</u>
Current portion of trade and other payables	<u>210,620</u>	<u>205,787</u>

*Note:* Included in payroll payables were early retirement benefits for employees of RMB746,000 and RMB590,000 (31 December 2023: RMB1,438,000 and RMB590,000) classified as current and non-current liabilities respectively.



The following is an ageing analysis of trade payables of the Company pursuant to invoice dates:

	As at <b>30 June</b> <b>2024</b> <i><b>RMB'000</b></i> <b>(Unaudited)</b>	As at 31 December 2023 <i><b>RMB'000</b></i> <b>(Audited)</b>
0 – 30 days	<b>13,435</b>	22,789
31 – 60 days	<b>13,333</b>	1,016
61 – 90 days	<b>11,789</b>	1,726
Over 90 days	<b>7,209</b>	651
	<u><b>45,766</b></u>	<u>26,182</u>

## 15. CONTRACT LIABILITIES

	As at <b>30 June</b> <b>2024</b> <i><b>RMB'000</b></i> <b>(Unaudited)</b>	As at 31 December 2023 <i><b>RMB'000</b></i> <b>(Audited)</b>
Amounts received in advance – Provision of services	<u><b>12,072</b></u>	<u>1,166</u>

Contract liabilities represent the deposits received from the customers in advance of rendering services to customers.

There was no revenue recognised in the Reporting Period that related to performance obligation that were satisfied in prior year.

## 16. LEASE LIABILITIES

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Total minimum lease payments:		
Due within 1 year	36,736	25,895
Due within 1 to 2 years	31,300	26,292
Due within 2 to 5 years	73,208	73,208
Due more than 5 years	562,906	573,707
	<b>704,150</b>	699,102
Less: future lease liabilities finance charges	<b>(360,568)</b>	(368,845)
Present value of lease liabilities	<b>343,582</b>	330,257
	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Present value of minimum lease payments:		
Due within 1 year	13,715	8,260
Due within 1 to 2 years	19,326	9,067
Due within 2 to 5 years	24,822	24,222
Due more than 5 years	285,719	288,708
	<b>343,582</b>	330,257
Less: payment due within 1 year (presented under current liabilities)	<b>(13,715)</b>	(8,260)
Payment due after 1 year	<b>329,867</b>	321,997

*Note:* Included in the above balance, the present value of RMB326,396,000 (31 December 2023: RMB328,807,000), RMB916,000 (31 December 2023: RMB1,450,000) and RMB16,270,000 (31 December 2023: RMB Nil) with total minimum lease payments of RMB686,260,000 (31 December 2023: RMB697,452,000), RMB1,073,000 (31 December 2023: RMB1,650,000) and RMB16,817,000 (31 December 2023: RMB Nil) represent lease liabilities payable to Shandong Port Rizhao Port Group Co., Ltd. (“**Rizhao Port Group**”), Rizhao Port Handling Co., Ltd. (“**Rizhao Port Handling**”) and Rizhao Port Container Development Co., Ltd. (“**Rizhao Port Container**”) respectively.

## 17. ADVANCE PAYMENTS FROM LEASE CONTRACT

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Lease payments received in advance	13,656	14,844
Less: Classified as current liabilities – Advance payments from lease contract	<u>(2,375)</u>	<u>(2,375)</u>
Non-current portion of lease payments	<u><u>11,281</u></u>	<u><u>12,469</u></u>

## 18. SHARE CAPITAL

	Domestic shares	H shares	Number of shares	RMB'000 (Unaudited)
Issued and fully paid-up ordinary shares with par value of RMB1 each				
As at 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024	<u><u>840,000,000</u></u>	<u><u>820,000,000</u></u>	<u><u>1,660,000,000</u></u>	<u><u>1,660,000</u></u>

## 19. CAPITAL COMMITMENTS

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Capital expenditure contracted but not provided for acquisition of property, plant and equipment	<u><u>613,607</u></u>	<u><u>639,717</u></u>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **International and domestic situation**

#### ***Overall Situation***

In the first half of 2024, the Company experienced new challenges brought by the significant increase in the complexity, severity and uncertainty of the external environment, as well as China's continued deepening of domestic structural adjustment, but new support was also formed resulting from continuous release of macro policy effects, recovery of external demand and accelerated development of new quality productivity. Overall, China's national economy in the first half of the year continued to recover and improve in conjunction with generally stable and steady progress in its operation. During the first half of this year, China's GDP reached RMB61.7 trillion, representing a year-on-year growth of 5.0%. The total import and export in goods amounted to RMB21.2 trillion, leading to a record high for the same period in history.

According to the data released by General Administration of Customs, China's general grain imports increased by 4.7% to 84.179 million tonnes in the first half of this year, and the import value reached RMB257.42 billion, representing a year-on-year decrease of 13.9% as compared to the same period last year, of which, soybeans imports amounted to 48.481 million tonnes, representing a year-on-year decrease of 2.2%, and maize imports amounted to 11.05 million tonnes, representing a year-on-year decrease of 8.2%. This year, South America possesses a bumper soybean harvest, with Brazil and Argentina reaching a record soybean production of approximately 200 million tonnes. In the future, China will have a loose supply in soybean imports. (Source: National Bureau of Statistics of China, General Administration of Customs of China)

#### ***Operation of the Port Industry***

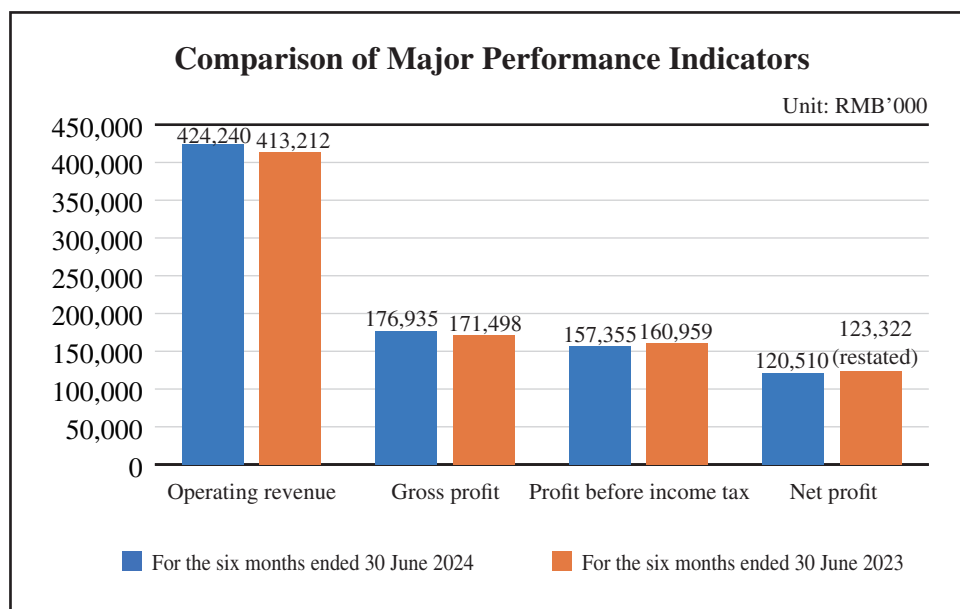
In the first half of 2024, China's transportation and logistics industry continued to perform well following stable operation as a whole and success in relatively rapid growth in major indicators such as cargo volume, port cargo throughput, and passenger flow. The ports handled a cargo throughput of 8.56 billion tonnes, representing a year-on-year increase of 4.6% combined with a year-on-year increase of 2.7% in domestic throughput and 8.8% increase in foreign trade throughput. According to the China Ports & Harbours Association, throughput of grain by major port enterprises across the country stood at 96.1612 million tonnes, representing a year-on-year increase of 13.6%, including foreign trade grain achieving throughput of 55.2549 million tonnes, representing a year-on-year increase of 7.8%. (Source: Ministry of Transport of the PRC and China Ports & Harbours Association)

## BUSINESS AND FINANCIAL REVIEW

### Overall Review

In the first half of 2024, the Company realised a steady increase in its main types of goods due to its persistence in a market-centered approach, priority over service quality improvement and coordination regarding production resource allocation. With a total investment of approximately RMB1.44 billion, the high-standard construction project of cement silos at West-6 berth (the “**Rizhao Port Grain Base**”) aims to build an internationally top-tier, fully integrated, intelligent, and eco-friendly grain demonstration base.

During the Reporting Period, the Company achieved cargo throughput of 15.01 million tonnes, representing an increase of 2.9% as compared with the same period in 2023. In terms of different cargo types, the throughput of grain cargo recorded an increment as compared with the same period last year while the cargo types of other businesses decreased as compared with the same period last year. The Company seized the opportunity to increase the volume of grain cargo, generate additional revenue and reduce costs, and promoted the continuous improvement of the level of management refinement. Operating revenue increased by 2.67% as compared with the same period last year, cost of sales increased by 2.31% as compared with the same period last year, gross profit maintained stable growth as compared with the same period last year, and profit before tax and net profit decreased slightly as compared with the same period last year due to the impact of other revenues. The Company’s major performance indicators are as follows:



During the Reporting Period, the Company achieved an operating revenue of RMB424.240 million, increased by RMB11.028 million or 2.67% as compared with the same period of 2023.

During the Reporting Period, the Company achieved a gross profit of RMB176.935 million, increased by RMB5.437 million or 3.17% as compared with the same period of 2023.

During the Reporting Period, the Company achieved a profit before income tax of RMB157.355 million, decreased by RMB3.604 million or 2.24% as compared with the same period of 2023.

During the Reporting Period, the Company achieved a net profit of RMB120.510 million, decreased by RMB2.812 million or 2.28% as compared with the same period of 2023.

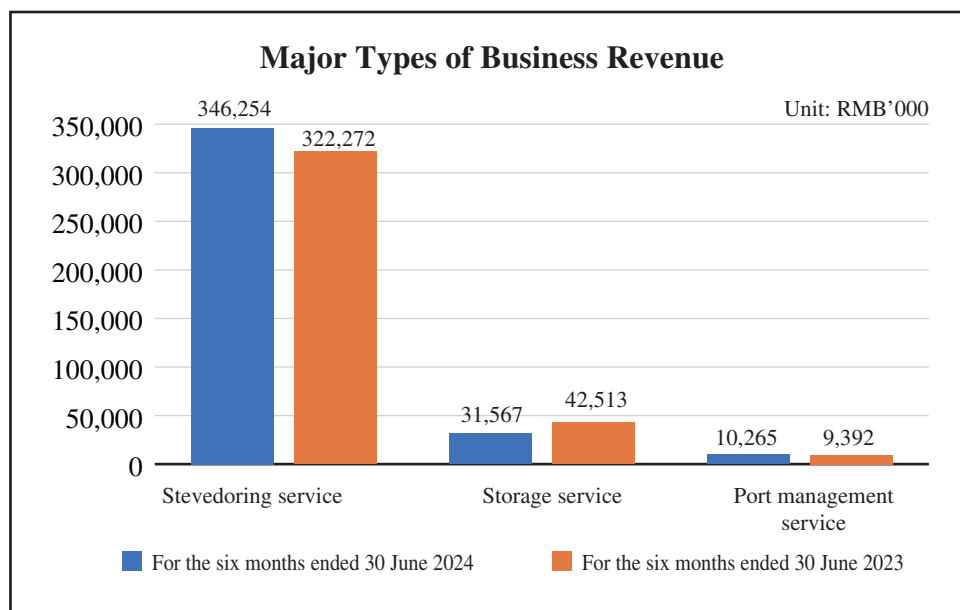
## Financial Review

During the Reporting Period, the Company's total revenue increased by RMB11.028 million or 2.67% as compared with the same period of last year, mainly attributable to an increase of RMB13.909 million in revenue from contracts with customers and a decrease of RMB2.881 million in revenue from property lease.

### (1) Total Revenue

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Revenue from contracts		
with customers – Provision of services	<b>388,086</b>	374,177
Rental income from investment properties and certain ports	<b>36,154</b>	39,035
<b>Total Revenue</b>	<b>424,240</b>	413,212

**(2) Revenue from contracts with customers by service type**



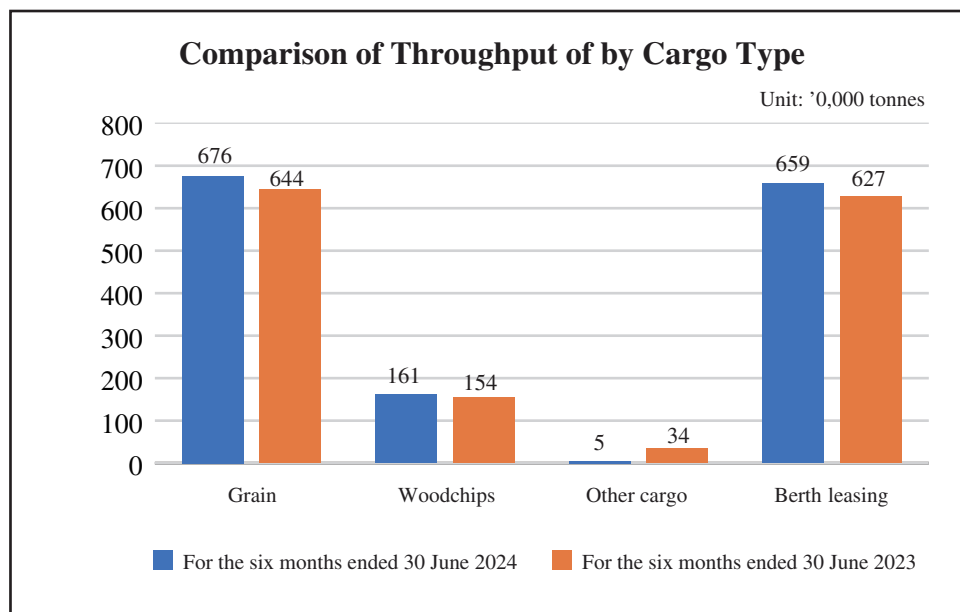
During the Reporting Period, the growth in stevedoring service was mainly attributable to the increase of grain cargo, which propelled the increase in the revenue from stevedoring service and offset the decreased revenue from other cargo. Overall, stevedoring business grew 7.44% year-on-year.

During the Reporting Period, the decrease in revenue from storage service was mainly attributable to the increase in port efficiency of grain cargo, which reduced storage time of cargos and drove the increase in turnover of grain. During the Reporting Period, port management services increased year-on-year, due mainly to the increase in the number of vessels handling cargos, resulting in the increase in berthing fees.

## Throughput segment

*Unit: '0,000 tonnes, except percentage*

Cargo types	During six months ended 30 June				Change
	2024		2023		
	Throughput	Proportion	Throughput	Proportion	
Grain	676	45.1%	644	44.1%	5.0%
Woodchips	161	10.7%	154	10.6%	4.5%
Other cargo	5	0.3%	34	2.3%	-85.3%
Berth leasing (Asia Symbol)	659	43.9%	627	43.0%	5.1%
Total	1,501	100.0%	1,459	100.0%	2.9%





## ***Grain***

Relying on the advantages of integration reform and inclusive development of Shandong ports, the Company adhered to customer-centricity concept, seized the market development opportunities, in-depth practiced the “Attentive Service” improvement action, cultivated lean management models for silos and warehouses to improve the efficiency of production and organization and expand the incremental space for grain. In the first half of the year, the grain throughput amounted to 6.76 million tonnes, representing a year-on-year increase of 5%, fully enhancing the ability to serve customers.

The Company launched ship stevedoring operations activities, refined the management of the berthing process, leveraging the effectiveness of berths process, the operations by berths process accounting for 45%; set up a special team for port efficiency enhancement to optimise the operational process, completing 1.59 million tonnes of railway port in the first half of the year, representing a year-on-year increase of 6.3%. The Company stepped up efforts to the port efficiency, enhanced the cargo turnover rate and constructed a highly efficient and stable grain logistics chain. With coverage and gathering effect of ports, the Company continued to consolidate its position as a hub for grain distribution by fully integrating into the national grain reserve layout and its contribution to the industrial chain.

## ***Woodchips***

Due to market fluctuations, core customers have regulated their imports of raw materials. The increase in the supply of domestic woodchips in China has impacted the imported woodchip market. In the first half of this year, 1.61 million tonnes were handled, representing a 4.5% year-on-year increase. However, this volume remains relatively low as compared to previous years.

### ***Other cargo***

The Company prioritised the handling of grains over other cargo. In the first half of this year, a total of 50,000 tonnes for other minor cargo were handled with a minor impact on the Company's revenue and profitability.

### ***Berth leasing***

The Company has a long-term lease agreement to lease the West-4 berth, Wood-2 berth and Wood-3 berth owned by the Company to Asia Symbol Shandong Co., Ltd (亞太森博(山東)漿紙有限公司)(“Asia Symbol”), an independent third party engaged in wood pulp production. The business volume of berth leasing was mainly from the import and transfer of woodchips throughput of Asia Symbol. Asia Symbol pays the Company a fixed rent each year, and is responsible for the maintenance of the leased berth and related berthing equipment.

### ***Cost of Sales***

During the Reporting Period, the cost of sales of the Company amounted to RMB247.305 million, representing an increase of RMB5.591 million or 2.31% as compared with RMB241.714 million for the same period of 2023, mainly attributable to the increase in depreciation of right-of-use assets, taxes and surcharges and R&D expenses, resulting in an increase in the cost of sales.

### ***Gross Profit***

During the Reporting Period, the Company achieved the gross profit of RMB176.935 million, representing an increase of RMB5.437 million or 3.17% as compared with RMB171.498 million for the same period of 2023, increase in gross profit mainly attributable to income increased.

### ***Administrative Expenses***

During the Reporting Period, the total administrative expenses of the Company amounted to RMB10.382 million, representing a decrease of RMB0.905 million or 8.02% as compared with RMB11.287 million for the same period of 2023, mainly attributable to (1) the slight decrease in remuneration costs of management personnel; and (2) decrease in fees for intermediary services.

### ***Other Income***

During the Reporting Period, other income of the Company amounted to RMB2.459 million, representing a decrease of RMB11.338 million or 82.18% as compared with RMB13.797 million for the same period of 2023, mainly attributable to: (1) changes in domestic tax policy, which cancelled the value-added credit policy; (2) no gain on lease modification during the Reporting Period; and (3) loss on written-off and disposal of property, plant and equipment.

### ***Finance Cost***

During the Reporting Period, finance cost of the Company amounted to RMB9.257 million, representing a decrease of RMB2.209 million, or 19.27% as compared with RMB11.466 million for the same period of 2023, mainly attributable to the year-on-year decrease in the interest of lease liabilities.

### ***Income Tax Expense***

During the Reporting Period, the income tax expense of the Company amounted to RMB36.845 million, representing a decrease of RMB0.792 million or 2.10% as compared with RMB37.637 million (restated) for the same period of 2023, mainly attributable to decrease in profit before tax.

### ***Total Comprehensive Income for the Period***

As a result of the foregoing, during the Reporting Period, the total comprehensive income of the Company amounted to RMB120.510 million, representing a decrease of RMB2.812 million or 2.28% as compared with RMB123.322 million (restated) for the same period of 2023.

## **LIQUIDITY AND CAPITAL RESOURCES**

The Company adopts a prudent treasury management policy to maintain a solid and healthy financial position. The Company monitors the cash flows and cash balance on a regular basis and strives to maintain an optimum liquidity that can meet its working capital needs.

The Company funds its operations principally from cash flow generated from operating activities. The Company's primary uses of cash are for working capital and to satisfy the capital expenditure needs of the Company.

As at 30 June 2024, the Company had cash and cash equivalents of RMB631.184 million (31 December 2023: RMB608.747 million) which were denominated in RMB.

As at 30 June 2024, the Company had no bank borrowings (31 December 2023: Nil).

The Company's current ratio (being the ratio of total current assets to total current liabilities) was 2.22 as at 30 June 2024 (31 December 2023: 2.81).

As at 30 June 2024, the Company's gearing ratio (being the ratio of total interest-bearing borrowings to total equity) was 12.2% (31 December 2023: 12.08%).

During the Reporting Period, the Company's net cash from operating activities amounted to RMB230.996 million (the corresponding period of 2023: RMB162.498 million). The Company's net cash used in investing activities during the Reporting Period amounted to RMB193.194 million (the corresponding period of 2023: RMB297.781 million). The Company's net cash used in financing activities during the Reporting Period amounted to RMB15.365 million (the corresponding period of 2023: RMB18.610 million).

## **PLEDGE OF ASSETS**

As at 30 June 2024, the Company did not have any pledge of assets (31 December 2023: Nil).

## **CONTINGENT LIABILITIES**

As at 30 June 2024, the Company did not have any contingent liabilities (31 December 2023: Nil).

## **CAPITAL EXPENDITURE**

The Company's capital expenditure comprised mainly additions to property, plant and equipment. The Company's capital expenditure in the Reporting Period amounted to RMB197.473 million (the corresponding period of 2023: RMB304.193 million).

## **SIGNIFICANT INVESTMENTS**

In order to consolidate and enhance the Company's position as a grain transshipment and distribution hub among China's coastal ports, the Company invested in the construction of the Rizhao Port Grain Base, covering reconstruction of West-6 berth with an investment amount of approximately RMB1.44 billion. Some of the equipment and facilities are currently under individual trial and the Rizhao Port Grain Base is expected to be completed and in use by the end of 2024.

Save as disclosed above, during the Reporting Period, no significant investment was made by the Company.

## **MATERIAL ACQUISITIONS AND DISPOSALS**

During the Reporting Period, the Company had no material acquisitions and disposal of subsidiaries or associated companies.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Save as disclosed in this announcement, the Company had no future plans for material investments or additions of capital assets authorised by the Board as at the date of this announcement.

## **EVENTS AFTER THE REPORTING PERIOD**

### **Connected Transaction – Construction Agent Contract**

On 16 July 2024, the Company entered into the construction agent contract with Rizhao Port Group, pursuant to which the Company agreed to engage Rizhao Port Group to provide construction management services for the construction project of the Rizhao Port Grain Base. The Company shall pay a management service fee to Rizhao Port Group in the amount of RMB19,074,200. For details, please refer to the announcement of the Company dated 16 July 2024.

### **Continuing Connected Transaction – Revision of Annual Caps under the Operation Outsourcing Agreement 2022**

On 23 July 2024, the Company entered into the supplemental agreement to the operation outsourcing agreement with Rizhao Port Lanshan Port Services Co., Ltd. (日照港股份嵐山港務有限公司) to revise the existing annual caps for the transactions contemplated under the operation outsourcing agreement dated 12 January 2022 for the three financial years ending 31 December 2024. For details, please refer to the announcement of the Company dated 23 July 2024.

### **Continuing Connected Transaction – Revision of Annual Cap under the SDP Shanghai Property Framework Agreement**

On 29 August 2024, the Company entered into the supplemental agreement to the general service (procurement) framework agreement with SDP Shanghai Property (Rizhao) Co., Ltd. (山港山海物業(日照)有限公司) to revise the existing annual cap for the transactions contemplated under the general service (procurement) framework agreement dated 29 December 2023 for the financial year ending 31 December 2024. For details, please refer to the announcement of the Company dated 29 August 2024.

Save as disclosed in this announcement, there are no material events undertaken by the Company after the Reporting Period.

## **FOREIGN EXCHANGE RISK MANAGEMENT**

The operations of the Company are mainly located in the PRC, and substantially all of business assets, liabilities, operating revenue and expenses of the Company are denominated in or settled in RMB, while liabilities denominated in foreign currencies are mainly used to pay overseas agency fees. As such, the Company considers there is no material foreign exchange exposure.

As at 30 June 2024, the Company did not enter into any derivative contracts to hedge the foreign exchange exposure.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 June 2024, the Company had a total of 337 full-time employees, all of whom are based in the PRC (31 December 2023: 341 employees). During the Reporting Period, the employees costs of the Company amounted to RMB38.235 million (the corresponding period of 2023: RMB37.430 million).

The remuneration policy of the Company links the remunerations of employees with performance, according to their positions, qualifications, work performance and the Company's production and operation results. For the senior management of the Company, the Company implements a basic salary and a performance-based salary policy. The employees' remunerations are reviewed and adjusted by the Company annually. The Company also provides employees with various benefits in accordance with the relevant national, municipal and city-level laws and regulations in the PRC.

In addition, to actively establish a learning enterprise and cultivate employees with active learning, the Company offers internal trainings on safety and security, business operations and technical skills to the employees for their improvement of skills related to their positions.

## **FUTURE PROSPECTS**

Currently, the supply of principal global grain commodities is expected to remain sufficient and grains production is expected to hit a new high. However, due to factors such as extreme weather, geopolitical tensions and sudden policy shifts, global food supply and demand witness imbalances, global maritime transport routes are frequently affected, the impact of transport costs on the imported food costs is a prevailing concern, the cost of global food imports will continue to increase, highlighting the issue of food insecurity.

As a crucial grain import port along the coast of China, the Company will seize new opportunities for grain business development, fully promote the production and operation of the Rizhao Port Grain Base project, deepen customer communication, carefully understand their needs, and elaborately optimise the processes of stevedoring service, collection, distribution, transportation and warehousing with “one-to-one” customised services, so as to build a highly efficient and stable grain logistics chain, protect the interests of customers in practice and create the “Attentive Service” brand. The Company will focus on building a diversified pattern of grain varieties, enhance the capacity of the port in grain stevedoring, warehousing and transit with intelligent technology, forming a distribution centre for imported grain trade, and creating a new growth pillar for grain business.

Therefore, the Company will focus on the following work:

- (1) Continuously increasing the development of sources of goods. Considering a firm grasp of the opportunity relating to commencement of operations at the Rizhao Port Grain Base, the Company will proactively handle the qualification formalities for berth and silo usage in advance to drive an increase in the supply of goods by expanding its capacity. Staring at the “window period” of reduced domestic woodchip supply and increased woodchip imports, the Company will actively develop new customers.
- (2) Continuously decreasing costs and expenses. The Company will achieve continued optimization and improvement through complete investigation into the cost issues and room for cost savings and robust process analysis and evaluation. The Company will deepen the analysis of unit costs by establishing a cost model, clearly identifying key points of cost reduction. The Company will also set up a special award for “cost reduction and efficiency improvement” to motivate employees.
- (3) Continuously improving service capabilities. The Company will refine the “Attentive Service” commitment, standards, and feedback system, implement three tough tasks of “cargo quality, system efficiency, and lean management,” earnestly cultivate lean management models for silos and warehouses, and create standard stacks, standardized warehouses, and model warehouses.



## USE OF NET PROCEEDS FROM THE LISTING

The Company was listed on the Stock Exchange on 19 June 2019 by way of a global offering, under which a total of 460,000,000 H shares (including H shares issued upon full exercise of the over-allotment option) were issued at an offer price HK\$1.50 per share, raising a total net proceeds of RMB546.414 million after deducting professional fees, underwriting commissions and other related listing expenses (the “**IPO Proceeds**”).

As set out in the prospectus of the Company dated 31 May 2019 (the “**Prospectus**”), the Company had planned to use the IPO Proceeds. As at 30 June 2024, the Company had used approximately RMB382.49 million for the acquisition of West-6 berth; approximately RMB69.231 million for the procurement of equipment and machinery for West-6 berth and approximately RMB54.641 million for working capital and general corporate purposes.

	Utilised amount as at 31 December 2023 <i>RMB'000,000</i>	Unutilised amount as at 31 December 2023 <i>RMB'000,000</i>	Utilised amount during the Reporting Period <i>RMB'000,000</i>	Unutilised amount as at 30 June 2024 <i>RMB'000,000</i>	Expected timeline for utilising the remaining IPO Proceeds <sup>(Note)</sup>
Acquisition of West-6 berth	382.49	0	0	0	
Procurement of equipment and machinery	36.486	72.797	32.745	40.052	Expected to be fully utilised on or before 30 June 2025
Working capital and general corporate use	54.641	0	0	0	
<b>Total</b>	<u>473.617</u>	<u>72.797</u>	<u>32.745</u>	<u>40.052</u>	

*Note:* In accordance with the schedule for the construction of the grain base, in order to ensure the smooth operation of the construction project of the Rizhao Port Grain Base, the basic reconstruction work on West-6 berth has been completed and the newly-added equipment for the berth has completed no-load debugging.

The Company does not have any intention to change the purposes of the IPO Proceeds as set out in the Prospectus, and will gradually utilise the residual amount of the IPO Proceeds in accordance with the intended purposes.



## **INTERIM DIVIDEND**

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2024 (for the six months ended 30 June 2023: Nil).

## **CORPORATE GOVERNANCE**

The Company is committed to maintaining a high standard of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability. The Company has adopted the applicable code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules as its own code of corporate governance.

The Company has complied with the relevant requirements of the applicable code provisions in Part 2 of the CG Code during the Reporting Period.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct for the Directors and the supervisors of the Company (the “**Supervisors**”) to conduct securities transactions. Having made specific enquiry of all the Directors and Supervisors, each of the Directors and the Supervisors has confirmed that he/she has complied with the required standard as set out in the Model Code during the Reporting Period.

## **PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES**

During the Reporting Period, the Company did not purchase, sell or redeem any of the Company’s listed securities (including sale of treasury shares). As at the end of the Reporting Period, the Company did not hold any treasury shares.

## REVIEW OF INTERIM RESULTS BY AUDIT COMMITTEE

The audit committee of the Company has reviewed the accounting principles and practices adopted by the Company and has also reviewed internal audit, internal control and financial reporting matters, including the review of the unaudited condensed interim results of the Company for the six months ended 30 June 2024.

By Order of the Board  
**Rizhao Port Jurong Co., Ltd.**  
**Zhou Tao**  
*Chairman*

Rizhao, the PRC, 30 August 2024

*As at the date of this announcement, the Board comprises Mr. Zhou Tao as Chairman and non-executive Director; Mr. Chen Zhou as the executive Director; Mr. Seow Kok Leong Terence, Mr. Nyan Ming Ren Francis, Mr. Fang Lei and Ms. Liu Rong as non-executive Directors; and Mr. Zhang Zixue, Mr. Lee Man Tai and Mr. Wu Xibin as independent non-executive Directors.*